

Message Text

CONFIDENTIAL

PAGE 01 SAO PA 02368 261259Z

40

ACTION ARA-10

INFO OCT-01 ISO-00 PM-03 L-01 NSC-05 CIAE-00 DODE-00

INR-05 NSAE-00 PA-01 RSC-01 USIA-06 PRS-01 SP-02

AID-05 PC-01 EB-04 CIEP-01 OMB-01 COME-00 TRSE-00

SIL-01 LAB-01 HEW-02 FRB-01 /053 W

----- 006427

R 261215Z OCT 74

FM AMCONSUL SAO PAULO

TO SECSTATE WASHDC 5679

INFO AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

AMCONSUL PORTO ALEGRE

C O N F I D E N T I A L SAO PAULO 2368

E.O. 11652: GDS

TAGS: PINT, BR

SUBJECT: LARGE MDB PROTEST VOTE IN SAO PAULO/PARANA

SUMMARY

WIDESPREAD DISSATISFACTION WITH ECONOMIC CONDITIONS AND GOVERNMENT
ECONOMIC POLICIES WILL HELP THE OPPOSITION TO MAKE SIGNIFICANT
GAINS IN THE NOVEMBER 15 ELECTIONS, INCLUDING THE PROBABLE
VICTORY OF THE MDB SENATORIAL CANDIDATE IN SAO PAULO AND A
POSSIBLE UPSET SENATORIAL VICTORY IN PARANA. END SUMMARY

1. VISITS BY THE CONSUL GENERAL AND POLITICAL OFFICER TO THE
MAJOR CITIES AND REGIONS OF SAO PAULO AND PARANA STATES, FROM
MID-SEPT. TO OCTOBER 25, AND INFORMATION COLLECTED FROM A
VARIETY OF SOURCES, INCLUDING UNPUBLISHED POLLS OF SAO PAULO CITY
AND SEVERAL SURROUNDING WORKING CLASS CITIES, HAVE REVEALED
WIDESPREAD DISSATISFACTION WITH THE GEISEL ADMINISTRATION'S
INABILITY TO COPE WITH THE RISE IN THE COST OF LIVING AND DECREASES
IN PURCHASING POWER AND WITH THE GOVERNMENT'S TIGHT CREDIT AND
AGRICULTURAL COMMODITY POLICIES. THE DISCONTENT IS NOT LIMITED
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SAO PA 02368 261259Z

TO THE WORKING CLASS, WHICH IN RECENT YEARS HAS WITNESSED THE

SERIOUS FAILURE OF BASE WAGES TO KEEP PACE WITH PRICES, BUT RATHER HAS SPREAD TO THE MIDDLE CLASS AND EVEN TO SAO PAULO'S AGRICULTURAL ARISTOCRACY, HERETOFORE THE STANDARD BEARERS OF THE 1964 REVOLUTION.

2. THE DISCONTENT WITH ECONOMIC CONDITIONS IS PROVIDING AN UNEXPECTED WINDFALL BENEFIT TO THE ELECTORAL CAMPAIGN OF THE OPPOSITION MDB PARTY IN SAO PAULO AND PARANA. DEPRIVED OF THE RIGHT TO DIRECT, POPULAR VOTE FOR THE OFFICE OF THE PRESIDENCY, SIGNIFICANTLY LARGE NUMBERS OF CITIZENS INTEND TO "SEND A MESSAGE TO BRASILIA" IN THE FORTHCOMING SENATORIAL AND DEPUTY ELECTIONS. IN THE TWO STATES THE MDB CANDIDATES FOR SENATOR ARE IN THEIR MID-THIRTIES, FACING EXPERIENCED ARENA PUBLIC FIGURES (IN THE CASE OF SAO PAULO, THE 64-OLD INCUMBENT SENATOR CARVALHO PINTO), AND THUS GAINING THE ADDITIONAL BENEFIT OF PROJECTING THE IMAGE OF "POLITICAL RENOVATION" IN THEIR RESPECTIVE CAMPAIGNS. IN THE VIEW OF MOST INFORMED OBSERVERS, THE MDB SENATORIAL CANDIDATE IN SAO PAULO, ORESTES QUERCIA, IS RUNNING AHEAD OF CARVALHO PINTO AND HAS THE POTENTIAL TO WIN A LANDSLIDE VICTORY. IN PARANA, THE MDB SENATORIAL CANDIDATE, FRANCISCO LEITE CHAVEZ, IS CONDUCTING AN IMPRESSIVELY STRONG CAMPAIGN IN SPITE OF HIS VIRTUAL ANONYMITY UNTIL RECENTLY AND THE TRADITIONAL WEAKNESS OF THE PARTY ORGANIZATION IN THE STATE. WHILE THE ARENA CANDIDATE, STATE LEGISLATIVE ASSEMBLY PRESIDENT JOAO MANSUR, APPEARS TO HAVE THE EDGE AT THIS POINT, THE RACE IS CLOSE AND COULD GO EITHER WAY.

3. THE MDB IS ALSO LIKELY TO ACHIEVE NET GAINS IN THE TWO STATE LEGISLATURES AS WELL AS IN THE SAO PAULO AND PARANA DELEGATIONS IN THE FEDERAL CHAMBER OF DEPUTIES.

4. PARANA POLITICIANS OF BOTH PARTIES, WHO APPEAR CONVINCED THAT MDB CANDIDATES WILL WIN THE SENATORIAL RACES IN SAO PAULO AND RIO GRANDE DO SUL AND POSSIBLY IN SANTA CATARINA AS WELL, BELIEVE THAT THE POWERFUL MDB CAMPAIGNS IN THESE NEIGHBORING STATES WILL HAVE A REINFORCING EFFECT ON CHAVEZ' RISING PROSPECTS IN THE PARANA ELECTION.

5. OPINIONS WERE DIVERSE WITH RESPECT TO THE POTENTIAL IMPACT OF THE GOVERNMENT'S EMERGENCY MEASURES, ANNOUNCED
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 SAO PA 02368 261259Z

OCTOBER 24 (INCLUDING WAGE INCREASES, RELAXATION OF CREDIT RESTRICTIONS, AND TAX REDUCTIONS), ON THE OUTCOME OF THE ELECTIONS. WHILE SOME POLITICIANS THOUGHT THESE MEASURES WOULD STRENGTHEN THE GOVERNMENT'S FLAGGING CAMPAIGN IN PARANA, MANY SAID THEY HAD COME EITHER TOO LATE TO HAVE A SIGNIFICANT BENEFICIAL EFFECT FOR THE ARENA CANDIDATES OR THAT THE VOTERS WOULD LARGELY INTERPRET THE GOVERNMENT'S ACTION AS PURE POLITICAL DEMAGOGUERY. SOME EVEN THOUGHT THE RESULT COULD BE COUNTERPRODUCTIVE. ALREADY,

MDB CANDIDATES ARE TAKING CREDIT FOR THE GOVERNMENT'S EMERGENCY MEASURES, WHICH THEY SAY WOULD NOT HAVE BEEN PROMULGATED IF THE MDB HAD NOT ALARMED THE ADMINISTRATION WITH ITS SUPRISING STRENGTH. MDB LEADERS ARE TELLING THEIR AUDIENCES THAT A VOTE IN FAVOR OF ARENA NOW WOULD BE ESPECIALLY IRONIC IN LIGHT OF THE POSITIVE EFFECT WHICH THE MDB CAMPAIGN HAS HAD IN TERMS OF THE GOVERNMENT'S ABRUPT DISPOSITION TO CORRECT ITS ECONOMIC POLICIES.

6. VIRTUALLY ALL OF THE POLITICAL LEADERS WE CONSULTED FORESAW LITTLE PROSPECT OF THE GOVERNMENT'S SEEKING TO INTERVENE ILLEGALLY IN OR OBSTRUCT THE ELECTION, AND MILITARY COMMANDERS WHOM WE VISITED APPEARED DISPOSED TO ACCEPT THE ELECTION RESULTS CALMLY. THE POLITICIANS OBSERVED THAT THE MDB WILL NOT GAIN SUFFICIENT STRENGTH TO REVERSE THE MAJORITIES WHICH THE ARENA ENJOYS IN THE FEDERAL AND STATE LEGISLATURES, WHICH IN ANY CASE ARE SEVERELY LIMITED IN TERMS OF REAL POLITICAL POWER. WHILE THE ELECTIONS UNDOUBTEDLY WILL STRENGTHEN MDB AS A POLITICAL PARTY, THE MORE IMPORTANT EFFECT WHICH THE POLITICAL LEADERS FORESAW WAS THE IMPACT WHICH THE ECONOMIC PROTEST VOTE WOULD HAVE ON THE GOVERNMENT'S LONG-RANGE ECONOMIC AND POLITICAL PLANS. ALTHOUGH SOME FORESAW A PARALIZATION OR EVEN A REVERSAL OF PLANS FOR FURTHER POLITICAL LIBERALIZATION, MANY OF THE ARENA AS WELL AS MDB LEADERS HELD OUT THE HOPE THAT THE GOVERNMENT WOULD REACT TO "THE MESSAGE" BY TAKING FURTHER POSITIVE STEPS TO ALLEVIATE THE PLIGHT OF THE WAGE EARNERS AND TO REFORM THE HEALTH, EDUCATION AND WELFARE INFRASTRUCTURE IN THE COUNTRY.

CHAPIN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DISPUTES, ECONOMIC CONDITIONS, POLICIES, OPPOSITION PARTIES, ELECTION CAMPAIGNS, ECONOMIC CONTROLS, ECONOMIC PROGRAMS, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Draft Date: 26 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SAOPA02368
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740306-0893
From: SAO PAULO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741013/aaaaakrk.tel
Line Count: 143
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 10 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 SEP 2002 by boyleja>; APPROVED <05 MAR 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LARGE MDB PROTEST VOTE IN SAO PAULO/PARANA SUMMARY
TAGS: PINT, BR, MDB
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005